



## CITY OF LODI COUNCIL COMMUNICATION

**AGENDA TITLE:** Accept Improvements Under Contract for the “Church Street and Sacramento Street Overlays 2006 Project”

**MEETING DATE:** July 18, 2007

**PREPARED BY:** Public Works Director

**RECOMMENDED ACTION:** Accept the improvements under the “Church Street and Sacramento Street Overlays 2006 Project” contract.

**BACKGROUND INFORMATION:** The project was awarded at the August 16, 2007 Council meeting to George Reed, Inc., of Lodi, in the amount of \$374,791.

This project included the installation of a 0.20-foot thick asphalt pavement overlay on Church Street between Lodi Avenue and Lockeford Street, and a 0.15-foot thick asphalt pavement overlay on Sacramento Street between Elm Street and Lockeford Street. The work also included the placement of approximately 3,200 square yards of pavement reinforcement fabric, pavement grinding, pavement striping, and signal modifications.

The final contract price is \$388,645.70; however, George Reed, Inc. is being assessed liquidated damages in the amount of \$12,150. The contract completion date for this project was December 7, 2006, and striping on Church Street was not done until January 3, 2007 (27 calendar days after the contract completion date). The specifications for this project stated that the City would assess a \$450 per day penalty for every calendar day's delay in finishing the work.

Contract Change Order No. 1 was also issued to George Reed, Inc. in the amount of \$22,819.20 to pay for the striping of Central Avenue between Vine Street and Kettleman Lane. This portion of Central Avenue was paved by our Street crew last fall. This contract change order took advantage of George Reed, Inc.'s specialty subcontractor by having them place new lane lines and legends while they were in town.

Following acceptance by the City Council, as required by law, the City Engineer will file a Notice of Completion with the County Recorder's office. The notice serves to notify vendors and subcontractors that the project is complete and begins their 30-day period to file a stop notice requiring the City to withhold payments from the prime contractor in the event of a payment dispute.

Related to this project, the City received the attached letter from the Downtown Business Partnership regarding disposition of the liquidated damages amount. At the time of the letter, the amount had not yet been determined. Among other purposes, the liquidated damage amount covers additional costs associated with the City's administration of the contract. Staff feels it would be poor public policy to turn this payment over to any third party. We do suggest that the majority of the funds be applied to future capital maintenance projects in the Downtown, such as repairs to the kiosks.

**APPROVED:** \_\_\_\_\_  
Blair King, City Manager

**FISCAL IMPACT:** By investing in the recommended overlay project, significant capital dollars will be saved by extending the useful life of the pavement section.

<b>FUNDING AVAILABLE:</b>	Measure K	\$321,300
	TDA Streets	\$ 51,700
	TDA Bike/Ped	\$ 10,000
	Electric Utility	\$ 5,650

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Kirk Evans, Budget Manager

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Richard C. Prima, Jr.  
Public Works Director

Wes Fujitani/Senior Civil Engineer

RCP/WF/drr

Attachments

cc: Streets and Drainage Manager  
Transportation Manager  
Senior Traffic Engineer  
Downtown Lodi Business Partnership



DEC 28 2006  
CITY MANAGER'S OFFICE

December 28, 2006

Mr. Blair King, City Manager  
City of Lodi  
221 W. Pine Street  
Lodi, Ca 95241-1910

Re: Church Street Closure

Dear Blair,

Our Downtown merchants were greatly impacted by the two notices of intent to close, then by the actual closure of Church Street on the third notice on December 14<sup>th</sup> ten days before Christmas. Each time our merchants received notice of any closure they would inform their customers who would then be discouraged and not return, causing loss of revenue. It was our understanding that this project was to be completed in late summer at night. Instead after two notices to close it was finally closed on the 3<sup>rd</sup> notice during our busiest time of the year. After talking with Mr. Prima and Mr. Sandelin, it is my understanding that the contractor George Reed Inc. is going to pay penalties to the city. We request that those penalties be forwarded to the DLBP as our merchants were the impacted parties. This money would be used to promote our common business interest of businesses and merchants in our Downtown

Sincerely,

Chuck Easterling, President  
Downtown Lodi Business Partnership

Cc: Jaime Watts, Executive Director

Attachments: Three Notices of Intent to Close

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